

Internal Revenue Service

Department of the Treasury

DENIAL

District
Director

Person to Contact:

Telephone Number:

Refer Reply to:

Date:

20 APR 1962

Gentlemen:

We have considered your application for exemption from Federal income taxation under the provisions of section 501(a) and as an organization described in section 501(c)(6) of the Internal Revenue Code.

Section 1.501(c)(6)-1 of the Income Tax Regulations states: "A business league is an association of persons having some common business interest, the purpose of which is to promote such common interest and not to engage in a regular business of a kind ordinarily carried on for profit...its activities should be directed to the improvement of business conditions ...as distinguished from the performance of particular services for individual persons."

Your by-laws, and application for exempt status indicate that the purpose for which your organization was formed was to consolidate, ship and distribute freight for the purpose of securing the benefits of volume rates for the benefit of your members. You are rendering services for your members as an economy in the conduct of their respective businesses.

Accordingly, it is held that you are not exempt from Federal income tax under section 501(c)(6) of the Code.

Publication 892 accompanies this letter and describes your appeal rights fully, should you decide to appeal this ruling. If we do not hear from you within thirty days this will become our final determination on the matter.

You are required to file Federal income tax returns on Form 1120 (or other appropriate form) within two and one-half months following the end of your annual accounting period. Please mail a copy of this return to our office.

Sincerely yours,

District Director

Enclosure:
Publication 892